

# Prospects for Indiana Families

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Indiana Family Impact  
Seminar

Presentation by

Charles Warren, Ph.D.  
January 8, 2003



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## Indiana's Families

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- Family Structure
- Incomes
- Wages
- Family Budgets
- Families in Need
- Findings



This presentation attempts to provide a snapshot of Indiana families, and should provide a context for the presentations on Indiana taxes that follow.

First we will look at a summary of data from the 2000 Census on:

- family structure
- incomes
- wages
- family budgets
- and families in need

The central question is: How are Hoosier families doing?

## People and Families

### Indiana's People & Households

- 2000 Census = 6,080,485 Hoosiers
- 5.9 million in households (97% of Total population)
- Over 2.3 million households

The 2000 Census estimated Indiana's population at just over 6 million people. 5.9 million Hoosiers live in households – 97 percent of the total- and there are 2.3 million households.

A “household” is all the persons who occupy a housing unit. They need not be related or part of the same family. (A family consists only of those persons related by marriage, birth or adoption.)

### Indiana is more diverse!

- Population change, 1990 to 2000, Up 9.7%
- Whites: ↑ 6%
- Blacks: ↑ 18%
- Hispanics: ↑ 117%
- Asians: ↑ 55%



We can also see that Indiana is becoming more diverse!

While total population increased by 9.7%, Whites gained only 6%

Blacks increased by 18%

Hispanics, still only 3.5% of the population, grew by 118%

and Asians, only 1% of the total, increased by 55%

## Indiana Families, 2000

- All families -- 1.6 million
- Married couples families -- 1.25 million
- Married couples w/ children -- 556,000
- Single mothers -- 160,000
- Single fathers -- 51,400

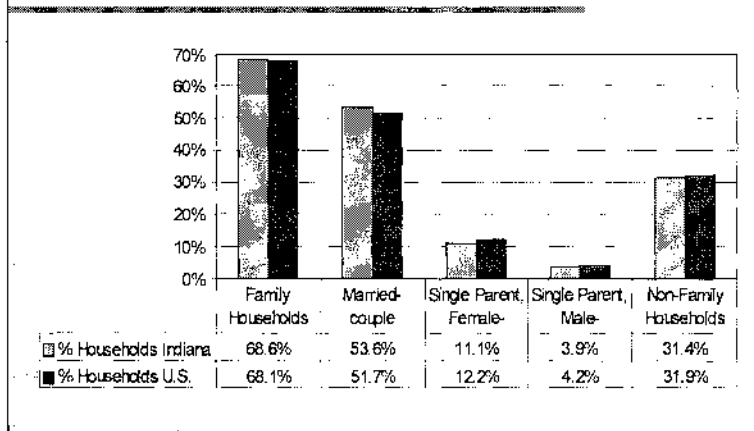
There are 2.3 million households in Indiana.

Of those households, 1.6 million are families; of those families, 1.25 million are married couples. Of those married couples 556,000 have children.

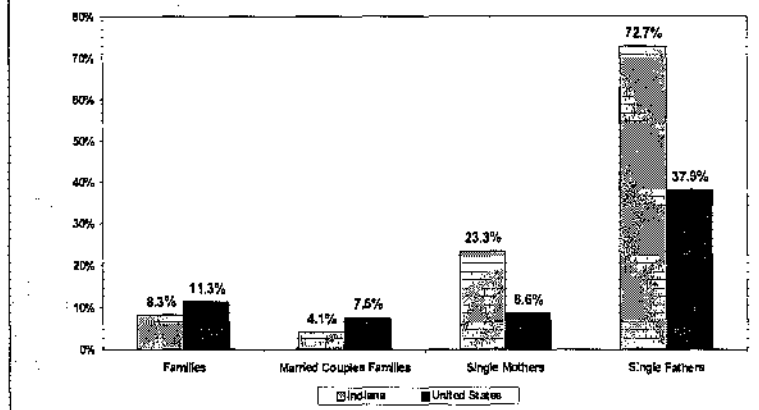
-- So, married couples living with their children represent just 35% of all families, and only 24% of all households.

160,000 families are headed by single mothers and 51,400 are headed by single fathers.

## Type of Households, Indiana and U.S.



## Family Change, 1990-2000, Indiana and U.S.



The number of families in Indiana increased by 8.3% from 1990 to 2000; a slower growth rate than the U.S. increase of 11.3%.

Married couples families grew only by 4.1%, compared to a 7.5% U.S. increase.

Single mothers increased dramatically, up 23 percent, compared to a much smaller increase of 8.6% in the U.S. Single fathers grew even more sharply, up by 72 percent!

## Hoosier Incomes

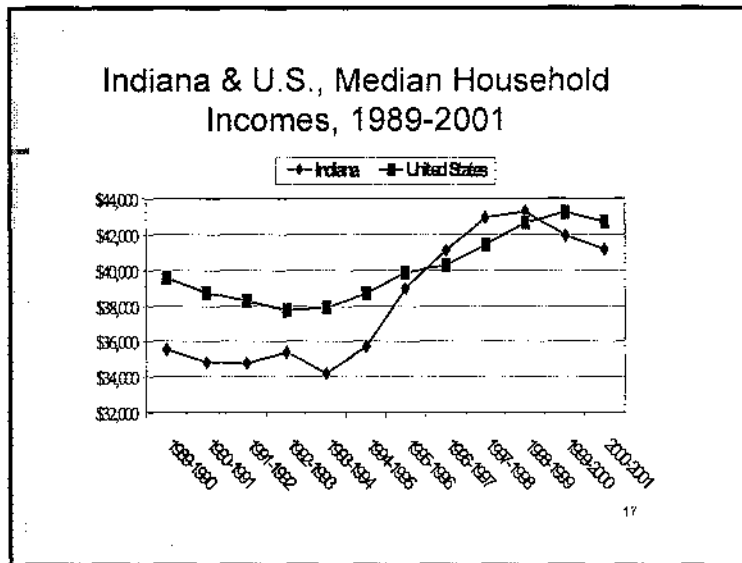
### Indiana Median Household Income

- \$41,192\* ranks 30<sup>th</sup>
- Lowest of Great Lakes States
- Declined by 4.8% since 1998

\*2000-2001, 2 year average, U.S. Census Bureau

Now, let's look at the Indiana Median Household Income:

In 2000-2001 the median household income was \$41,192, which ranks Indiana 30<sup>th</sup> among the 50 states.



Moreover, the Indiana Median Household Income is the lowest among the Great Lakes states, and has declined by almost 5% since 1998.

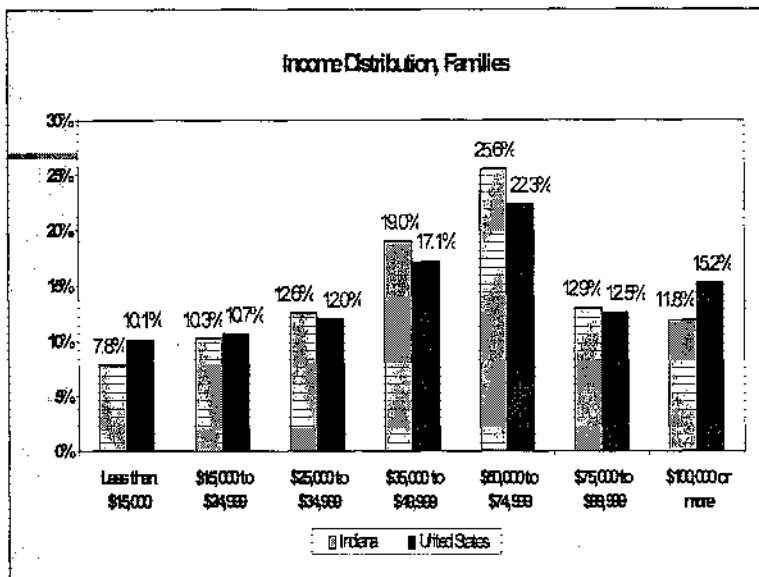
### Median Family Income: Indiana, 2000

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- \$50,261, ranks 21<sup>st</sup>
- Slightly above U.S. average of \$50,046
- IN ranks 5<sup>th</sup> of 6 Great Lakes States
  - MN, IL, MI, WI, IN, OH

Indiana Median Family Income is \$50, 261, which ranks Indiana much higher, at 21<sup>st</sup> among the states.  
 -- Could that be due to many more two-income families?

Median family income is slightly above the U.S. average, but Indiana ranks only 5<sup>th</sup> of the six Great Lakes states.



**Indiana is a Middle Income State.**

Almost 45% of Indiana families have incomes between \$35,000 and \$75,000; this compares to 39.4% in the U.S. as a whole.

Yet, Indiana has fewer families in the lowest income categories:  
 -- 7.8% below \$15,000, compared to 10% in the U.S.

And, fewer in the highest income categories:  
 -- Almost 12% with incomes above \$100,000, compared to 15% in the U.S.

**IN: A Middle-Income State**

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- Almost 45% of Indiana families with incomes between \$35,000 and \$75,000
  - Compares to 39% in U.S.
- Fewer families than U.S. in lowest income and highest income categories.

## Indiana Wages

### Indiana Wages Declining

- 2000, Indiana average wages were 87.5% of U.S.
- 1989, IN wages 91.6% of U.S.
- Indiana average wages rank 28<sup>th</sup> among 50 states
- Indianapolis MSA average wages were 99% of U.S. (2000)

Indiana wages are declining!

In 2000, Indiana average wages were 87.5% of U.S. average wages.

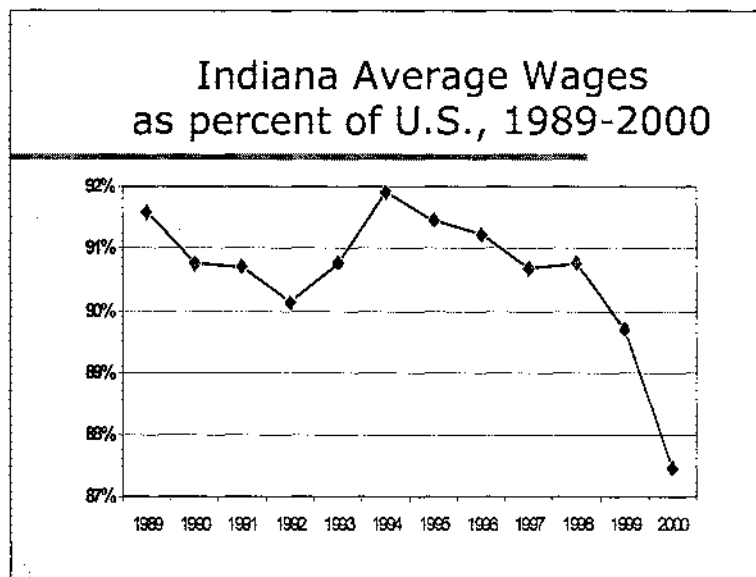
In 1989, Hoosier wages were almost 92% of U.S.

Indiana average wages rank the state 28<sup>th</sup>.

Average wages in the Indianapolis MSA are almost equal to the U.S. average.

Average wages in non-metropolitan counties of Indiana are only 77% of the U.S.

Chart, 1989 to 2000.





## Why are Wages Declining?

- Changing economy; shift from manufacturing to services
  - Jan. 1990 to Jan. 2002 -17,000 fewer manufacturing jobs; 232,000 more service sector jobs.
- IN Job growth in lower wage industries
  - 1989 to 2000, 74% of jobs created in Industries with average wages below \$35,000.
  - In U.S., only 66% of jobs

## Wages of Indiana Women

- Indiana women earn 68% of Hoosier males (full-time, median earnings)
- Indiana women earn 93% of U.S. women's median earnings
- Wage gap between Indiana men and women among largest in nation



### Wages of Indiana Women

In Indiana women only earn 68% of what Indiana men earn! This statistic compares both sexes-- full-time workers' median earnings. Indiana women earn only 68% of the wages U.S. women earn. The wage gap between Indiana men and women is among the largest in the nation. Only two states – Utah and Wyoming – had wider gaps.

There are lots of reasons for the difference, but one is educational attainment; higher education equals higher earnings: 18 percent of Indiana women have a bachelor's degree or higher, compared to 22 percent of Indiana males and 23 percent of U.S. women.

## Median Earnings, IN & U.S. full-time, year-round workers

	Indiana	United States
Male	\$37,055	\$37,057
Female	<b>\$25,252</b>	\$27,194

Here are the Median Earnings for Hoosier males and females in Indiana and the U.S.

Indiana females earn a median wage of \$25,252. Imagine the difficulty faced by single mothers in supporting their families.

## Family Budgets

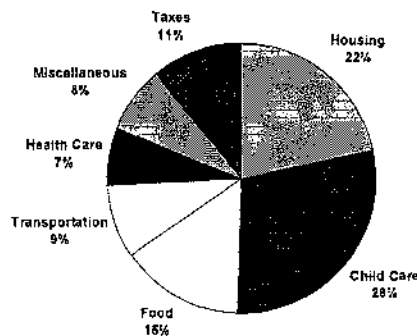
How much does it take to  
get by in Indiana?

The Self-Sufficiency  
Standard, ICHHI,  
2002

Let me tell you about the Self-Sufficiency Standard. This data is from 2002.

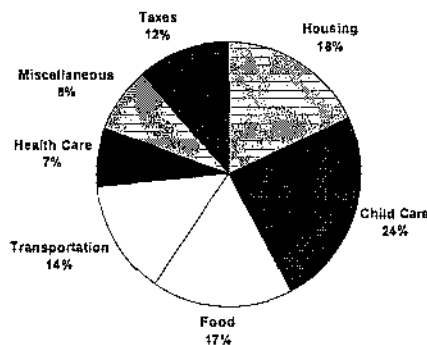
A new report is to be published this month (January, 2003) by the Indiana Coalition for Housing and Homeless Issues.

**3 Person Family, 1 school-age,  
1 pre-school, Marion County, 2002;  
Annual Costs = \$32,535**



The Self Sufficiency Report contains data for all Indiana counties. This chart shows bottom-up budgeting – what does each budget item cost, e.g., housing, food, taxes, etc.

**4 person Family, 1 school-age, 1  
pre-schooler, Marion County, 2002,  
Annual Costs = \$38,850**



In Marion County:

A 3 person family's annual costs of basic needs is \$32,535

4 person family's annual costs of basic needs is \$38,850

For both families, child care constitutes largest percentage of family budgets.

For the Marion County family of three, taxes (net) are 10.7% of their budget.

For the Marion County family of four, taxes are 11.5% percent of their budget.

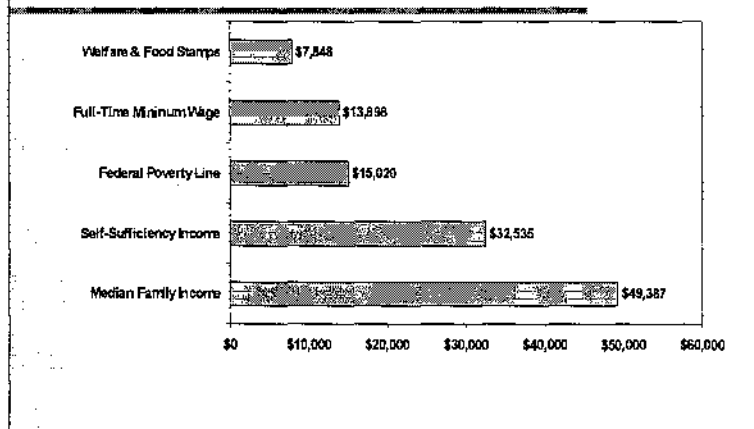
Taxes are the largest expense category after child care, housing and food.

Here is the breakdown for families in Marion Counties.

## Self-Sufficiency Standard, Marion County, 2002

Monthly Costs	Family of 3	Family of 4
Housing	\$588	\$588
Child Care	\$783	\$783
Food	\$403	\$554
Transportation	\$234	\$450
Health Care	\$193	\$230
Miscellaneous	\$220	\$260
Net Taxes	\$291	\$373
<b>Total</b>	<b>\$2,712</b>	<b>\$3,238</b>

## Self-Sufficiency Standard compared to other benchmarks Marion County, 3 person family, 2002



Let us compare the Self-sufficiency Standard to Comparison to other Annual Income benchmarks:

- a. A Welfare and Food Stamps Family receives \$7,848.
- b. A Family with one worker full-time at minimum wage earns \$13,898.
- c. The Federal poverty line for a family of three is \$15,020.
- d. The Self-sufficiency standard is \$32,535.
- e. and the Median Family income in Marion County is \$49,387.

**% Families with incomes  
less than \$35,000;  
U.S. & Great Lakes States**

United States	32.8%
Ohio	31.7%
Indiana	30.7%
Michigan	29.2%
Illinois	27.8%
Wisconsin	27.2%
Minnesota	24.6%

Who are the working poor?

Families with earned incomes below \$35,000.

Almost 31% of Indiana families are working poor.

-- that is slightly below U.S. percentage of 32.8%

--but that is a high percentage among Great Lakes States; only Ohio's is larger.

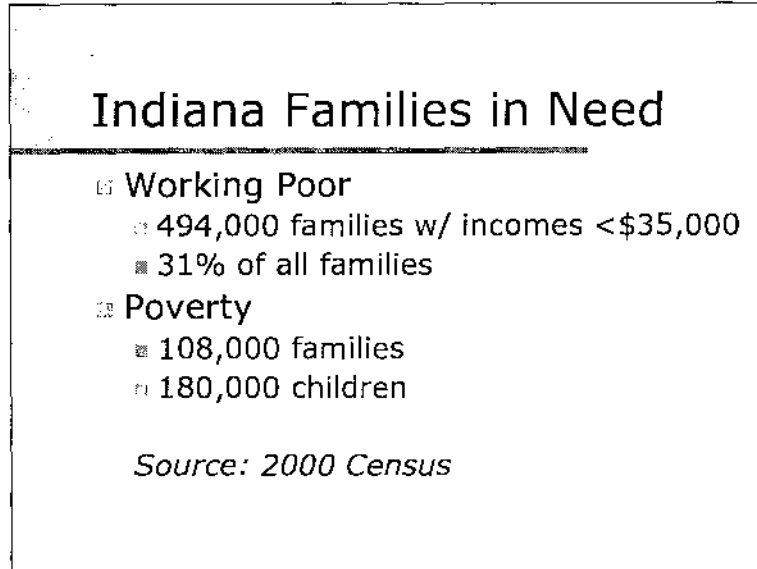
**% Families with incomes  
less than \$35,000;  
Selected Indiana Counties**

Hamilton	11.6%
Allen	28.1%
Tippecanoe	29.1%
Marion	32.8%
Vanderburgh	33.7%
Vigo	39.5%
Crawford	45.4%

In Indiana, at 45%, Crawford County has the highest percentage of families earning \$35,000 or less.

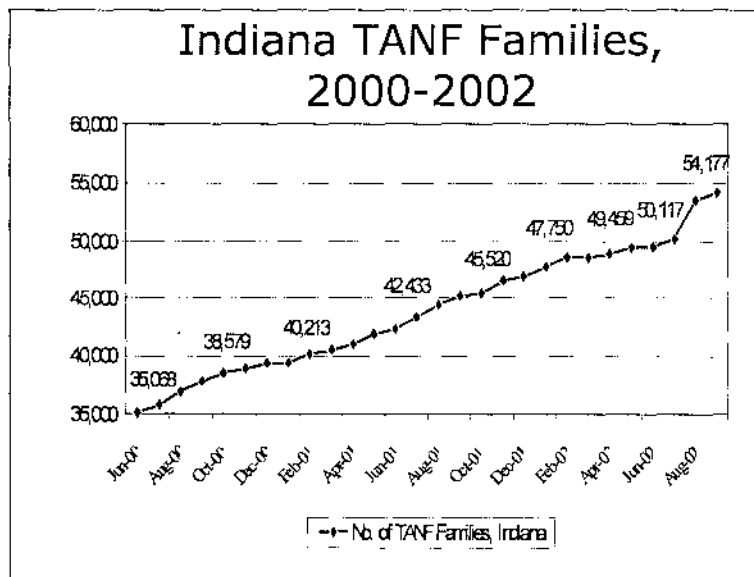
Hamilton County has the lowest, at only 11.6%.

## Indiana Families in Need



Many Indiana Families are in Need:

- 494,000 families fall into the "working poor" category of incomes below \$35,000.
- 108,000 families in Indiana have incomes below federal poverty line.
- 180,000 children in Indiana live in poverty.



Over 54,000 Hoosier families are on TANF.

Almost 180,000 households are receiving food stamps – a total of 430,000 individuals.

The Indiana TANF rolls fell 53% from 1994 to 2000, but have now increased by 55 % from June 2000 to September 2002.

## Summary: Findings

### Findings: Indiana Families

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- Households & family types still similar to U.S.
- But, family structure changing
  - Single mothers & fathers increasing faster than U.S.
  - Married couples share of families declining

### Findings: Incomes

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- Median household income declined by 5% since 1998.
- Median family income at U.S. average, but among lowest in Great Lakes.
- Indiana – A middle-income state; fewer poor, fewer wealthy.

## Findings: Wages

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- Indiana Average wages on the decline.
- Job quality is deteriorating.
- Wages of Indiana women are low and far below men's.

## Findings: Poor families

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- Self-Sufficiency Income now at low to mid- \$30,000s.
- 31% of families are "working poor"
- TANF rolls increasing
- Indiana poverty rate up